

MERCANTILE FREIGHTS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1997

Company Number: 1184247 (England and Wales)



## **MERCANTILE FREIGHTS LIMITED**

### **COMPANY INFORMATION**

Directors:	E.A. Marinos C.E. Marinos
Secretary:	E.A. Marinos
Company Number:	1184247 (England and Wales)
Registered Office:	358 Roman Road, Mountnessing, Brentwood, Essex CM15 OTZ
Accountant:	Griffith Miles Sully & Company 95 High Street Slough Berks. SL1 1DH

## MERCANTILE FREIGHTS LIMITED

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*The following page does not form part of the statutory accounts:*

Trading and Profit and Loss account

## MERCANTILE FREIGHTS LIMITED

### REPORT OF THE DIRECTORS IN RESPECT OF THE YEAR ENDED 31ST DECEMBER 1997

The directors present their report and the financial statements for the year ended 31st December 1997.

#### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

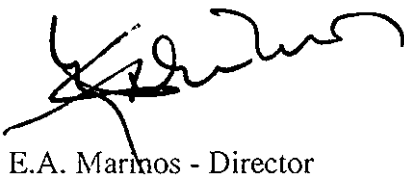
The company's principal activity continues to be that of ship broking.

#### Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Number of Shares	
	<u>1997</u>	<u>1996</u>
E.A. Marinos	0	0
C.E. Marinos	5,000	5,000

This report, which has been prepared taking advantage of special exemptions applicable to small companies was approved by the Board on 16th February 1998 and signed on its behalf.



E.A. Marinos - Director

**MERCANTILE FREIGHTS LIMITED**

**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS  
ON THE UNAUDITED ACCOUNTS OF MERCANTILE FREIGHTS LIMITED**

We report on the accounts for the year ended 31st December 1997 set out on pages 3 to 7.

**Respective responsibilities of directors and reporting accountants**

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

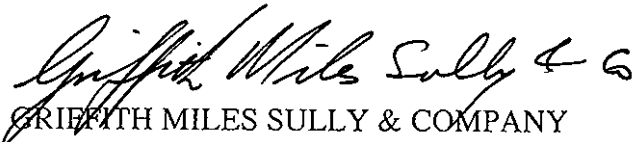
**Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

In our opinion:

- (a) The accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

  
GRIFFITH MILES SULLY & COMPANY

95 High Street  
Slough  
Berks. SL1 1DH

16th February 1998

# MERCANTILE FREIGHTS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	1997	1996
TURNOVER	2	46,284	96,520
Administration Expenses		(34,559)	(75,529)
Interest Payable	3	(1,060)	(1,201)
Bank Deposit Interest		1,837	5,617
Investment Income		30	30
		<u>(33,752)</u>	<u>(71,083)</u>
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION	3	12,532	25,437
TAXATION	4	<u>(3,201)</u>	<u>(7,149)</u>
RETAINED PROFIT FOR YEAR		9,331	18,288
Retained Losses brought forward		<u>(69,855)</u>	<u>(88,143)</u>
RETAINED LOSSES carried forward		<u>(£60,524)</u>	<u>(£69,855)</u>

There were no gains or losses in 1997 and 1996 other than those recognised in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

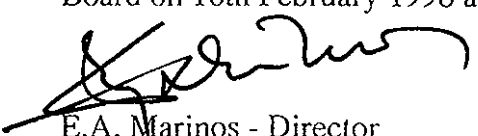
# MERCANTILE FREIGHTS LIMITED

## BALANCE SHEET AS AT 31ST DECEMBER 1997

	Notes	1997	1996
<b>FIXED ASSETS</b>			
Tangible Assets	5	1	1
Investments	6	287	287
		288	288
<b>CURRENT ASSETS</b>			
Debtors	7	2,415	870
Cash at Bank		24,674	38,020
		27,089	38,890
<b>CREDITORS</b>			
Amounts falling due within one year	8	(29,625)	(25,403)
NET CURRENT ASSETS (LIABILITIES)		(2,536)	13,487
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,248)	13,775
<b>CREDITORS</b>			
Amounts falling due after one year	9	(53,276)	(78,630)
NET LIABILITIES		(£55,524)	(£64,855)
<b>CAPITAL AND RESERVES</b>			
Called up Capital	10	5,000	5,000
Profit and Loss Account		(60,524)	(69,855)
SHAREHOLDERS FUNDS		(£55,524)	(£64,855)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 1997 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The accounts were approved by the Board on 16th February 1998 and signed on its behalf.

  
E.A. Marinos - Director

The notes on pages 5 to 7 form part of these financial statements

**MERCANTILE FREIGHTS LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

**1. ACCOUNTING POLICIES**

**a. Basis of Accounting**

The accounts have been prepared under the historical cost convention and include the results of the company's operations which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

**b. Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives as follows:

	<u>Method</u>	<u>Rate</u>
Office Equipment & Fixtures	Straight Line	15%

**c. Foreign Currency**

Foreign currencies are converted at the rate ruling at the date of invoice. All assets and liabilities are converted at the rate of exchange ruling at the year end. All exchange differences are included in the profit and loss account for the year.

**2. TURNOVER**

Turnover represents amounts invoiced by the company in respect of services supplied during the year. All invoices are to clients outside the United Kingdom.

**3. PROFIT BEFORE TAXATION**

Profit before taxation is stated after charging the following:-

	<u>1997</u>	<u>1996</u>
a) Directors Emoluments		
Management Remuneration	£27,020	£27,020
	=====	=====
b) Interest Payable		
Interest on bank Overdraft	£ 1,060	£ 1,201
	=====	=====

**4. TAXATION**

	<u>1997</u>	<u>1996</u>
Corporation Tax at 24/23% (1996-25/24%)		
on the adjusted profit for the year	3,201	7,137
Interest on tax paid late	0	12
	-----	-----
	£ 3,201	£ 7,149
	=====	=====



## 5. TANGIBLE FIXED ASSETS

	Office Equipment & Fixtures
<u>Cost</u>	
At 1st January and 31st December 1997	£ 38,600
	=====
<u>Depreciation</u>	
At 1st January and 31st December 1997	£ 38,599
	=====
Net Book Value at 31st December 1997	£ 1
	=====

## 6. INVESTMENTS

	<u>1997</u>	<u>1996</u>
Directors valuation of unlisted investments	£ 287	£ 287
	=====	=====

## 7. DEBTORS

	<u>1997</u>	<u>1996</u>
VAT Recoverable	356	155
Other Debtors	2,059	715
	-----	-----
	£ 2,415	£ 870
	=====	=====

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
Bank overdraft (secured)	19,919	12,712
Trade creditors	0	1,637
Directors loan	3,341	1,367
Taxation	4,115	7,137
Accruals	2,250	2,550
	-----	-----
	£ 29,625	£ 25,403
	=====	=====

## 9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	<u>1997</u>	<u>1996</u>
Other loans (due within 2 to 5 years)	£ 53,276 =====	£ 78,630 =====

## 10. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised:		
10,000 Ordinary Shares of £1 each	£ 10,000 =====	£ 10,000 =====
Allotted and Fully Paid:		
5,000 Ordinary Shares of £1 each	£ 5,000 =====	£ 5,000 =====

## 11. SHAREHOLDERS' FUNDS

Balance at 1st January 1997	(64,855)	(83,143)
Profit for year	9,331	18,288
	-----	-----
Balance at 31st December 1997	£ (55,524) =====	£ (64,855) =====